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Thursday - 21 December 1972

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25X1 7. [] Received a call from Dr. John Brady, House Foreign Affairs Committee staff, who told me that he will be travelling to Europe and Latin America in January with Representatives Murphy (D., Ill.) and Steele (R., Conn.) on a narcotics survey trip. He asked if it would be possible to have a staff briefing on Latin America. He does not feel that he needs anything on Europe at the present time.

Later in the day I put [] NARCOG, directly in touch with Dr. Brady to assist Brady in lining out his itinerary for Latin America and South America. Tentative arrangements have been made to brief Brady at 2:00 p.m. on Friday, 22 December.

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25X1 8. [] Received a call from Ralph Preston, House Appropriations Committee staff, who told me that he had had a long meeting with Chairman Mahon this morning and asked if I could provide him with biographic and background information on Mr. Helms for the Chairman's use. The Chairman intends to go on the floor soon after the beginning of the new Congress with an address about Mr. Helms. He also asked if I would provide whatever biographic information we have on Mr. Schlesinger.

25X1 9. [] Talked to Bill Van Ness, Chief Counsel, Senate Interior and Insular Affairs Committee, and told him that we had received a request from the Library of Congress for advice on security clearances for members of the staff of Senator Lee Metcalf (D., Mont.) "to review the documents on the Mid-East oil situation which are now supposed to be in the hands of CIA." Van Ness readily understood the Agency policy of providing such information to members of the Senate or cleared Committee staff personnel designated by the Chairman and said if it would be of help he would be pleased to assist Senator Metcalf in this matter. He also said that since Senator Jackson, Chairman of the Committee, had excluded personal staff from the briefing a week ago that the Agency policy is in accord with Senator Jackson's own thinking. I thanked Van Ness for his advice and told him I would keep him up-to-date on this matter.

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NEW YORK TIMES

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DATA ON I.T.T. KEPT FROM HOUSE PANEL

Casey Says the White House Advised Against Release

By DAVID E. ROSENBAUM
Special to The New York Times

WASHINGTON, Dec. 14—William I. Casey, the chairman of the Securities and Exchange Commission, told a House subcommittee today that he had been advised by the White House not to turn over to the subcommittee documents concerning the activities of the International Telephone and Telegraph Corporation.

Thirty-four boxes of S.E.C. records on the corporation were subsequently sent to the Justice Department, thus preventing the subcommittee from obtaining them.

Mr. Casey's testimony today before the investigating subcommittee of the House Commerce Committee provided a new page in the continuing saga of the relationship between I.T.T. and the Nixon Administration.

Representative Harley O. Staggers, the chairman of the committee, charged Mr. Casey with obstructing a Congressional investigation of this relationship.

Mr. Casey plans to leave the S.E.C. early next year. He has been nominated by President Nixon to be Under Secretary of State for Economic Affairs.

Last spring, the Senate Judiciary Committee held two months of hearings on allegations that I.T.T. had tried to influence the Nixon Administration by pledging financial support to the Republican National Convention. During these hearings, it developed that the corporation had shredded various documents that some Senators thought might have substantiated the allegations.

S.E.C. Policy Cited

At the same time, the S.E.C. was also investigating the corporation. Mr. Staggers presumably hoped that some of the shredded documents might turn up in S.E.C. files.

The Commerce Committee has jurisdiction over the function of the S.E.C.

In late September, Mr. Staggers, a West Virginia Democrat, and another committee member, Representative John E. Moss, Democrat of California, asked Mr. Casey to release his agency's files to the committee.

Mr. Casey refused to do so. He told the subcommittee today that it was a standing policy of the S.E.C. not to give files of open investigations to Congressional committees.

Mr. Casey said, however, that before giving Mr. Staggers an answer he had consulted with John W. Dean 3d, counsel to President Nixon, who is the chief lawyer in the White House. Mr. Casey said that Mr. Dean had advised him not to give the records to Mr. Staggers's committee.

Mr. Casey said today that if Mr. Staggers had subpoenaed the documents he would have released them to the committee.

Justice Department Inquiry

But a few days after Mr. Casey talked with Mr. Staggers, with no subpoena having been issued, all 34 crates of documents and a manila envelope that was described by an aide to Mr. Casey as containing "politically sensitive" material were trucked over to the Justice Department.

The Justice Department is investigating whether any I.T.T. officials perjured themselves in testimony before the Senate Judiciary Committee, and the S.E.C.'s files were made part of the record of this investigation.

Once documents become part of the Justice Department's records of a criminal investigation they are protected from disclosure to Congress.

Mr. Casey said that the material had been sent to the Justice Department at the request of the Deputy General, Ralph E. Erickson. Mr. Casey said that Mr. Dean had not advised him to transfer the material to the Justice Department.

Because the S.E.C. does not have authority to conduct prosecution, it regularly sends the results of its investigations to the Justice Department.

Undue Haste Charged

Mr. Staggers charged today however, that the S.E.C. had shown undue haste in transferring the records to the sanctuary of the Justice Department and that the purpose of the transfer had been to avoid a subpoena.

A commission lawyer, Irwin M. Borowski, told the subcommittee that he had been interviewing a witness on the I.T.T. case when he was told that the case had been taken out of the commission's hands and given to the Justice Department.

Another official of the agency, Stanley Sporkin, the deputy director of enforcement, said that he had been told by top-level prosecutors in the Justice Department on Sept. 21 that they had no pressing need for the S.E.C.'s records.

Coincidentally, that was the same day that Mr. Staggers first asked for the files from the S.E.C. a week later Mr. Casey turned down Mr. Staggers's request, and on Oct. 4 the commission began to gather the documents for transmission to the Justice Department. They were delivered two days later.